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DIVIDEND NOTICES

UNITED FRUIT COMPANY

DIVIDEND NO. 69
A quarterly dividend of two per cent (two dollars per share) on the capital stock of this company has been declared, payable on October 16, 1916, to stockholders of record at the close of business September 13, 1916.

The transfer books do not close.
JOHN W. DAMON, Treasurer.

AMERICAN NAVIGATION COMPANY

The usual quarterly dividend of 3% on 50 shares of this company, has been declared, payable on October 16, 1916, to stockholders of record at the close of business September 13, 1916.

The transfer books do not close.
SAMUEL C. SEAMAN, Treasurer.

October 5, 1916.

Finance - Economics

GARET GARRETT, Editor.
WALL STREET OFFICE:
Mills Building, 15 Broad St.

Monday, October 9, 1916.

Intelligent preparation for the future is baffled in two ways. In the first place, you cannot get people to agree as to things that are likely to happen; secondly, there is no time to bother about it. Some eminent and competent persons think that afterward Europe will require from us more goods than she has taken during war. Other equally eminent and competent persons think trade with Europe will be suddenly deflated when peace comes, and that we shall be left with a great surplus power of production and no markets in which to sell our goods at any such prices as in our expectations we have capitalized. The average person is not competent to judge between these extremely opposite opinions. He concludes merely that nobody knows what will happen. He is meantime busy and very prosperous, so he is content to let the future take care of itself.

The only equipment in this whole country now idle is that of the organizations called into existence two years ago to manage the evil of unemployment. There were state, municipal and national organizations. There was one that embraced all the financial and economic wisdom supposed to exist at that time. Its members made sentimental speeches. They admitted the moral responsibility of the employer. The very best statisticians were retained and supplied with clerks and stenographers and all the mechanical instruments of their craft. A machine for collecting information was rapidly and scientifically built. The nature, the texture, the quantity and the periodicity of unemployment were to be determined. Ultimately everything about it would be discovered and then the evil could be abolished. It was an ambitious undertaking. Much was expected of it. Only the unemployed were skeptical. Then nothing whatever came of it. The evil pervasively vanished of its own accord. There were no raw materials left to work with. War prosperity overtook us. The change was so violent that essays and speeches on the subject of unemployment had to be recalled or turned upside down. They became obsolete as fast as they were written.

It is not in the American temperament either in time of peace to prepare for war or in time of war to prepare for peace. The true symbol of our spirit is the Arkansas settler who never mended his roof. When it was raining he couldn't and when it was not raining there were too many other things to do. You cannot cure unemployment in time of adversity, for then it is raining. And in time of prosperity there are too many other things to do. Unemployment is but one of several inseparable traits. To solve the problem of unemployment is to discover the secret of continuous prosperity. The time to work on it is now. Yet what is being done? William Reed, speaking to the Rotary Club last week, said:

But some day the giant's appetite will be satisfied. Then what will our factories do? A sudden outburst of gold will mean curtailment of credit. This will entail a slowing down of business. To slow down means unemployment. To reduce wages means discontent. To slow down without reducing wages and employment means ruin for both employer and employee. The answer is not to slow down, but to reduce employment or wages, but to find other markets for our products, and instead of an undue loss of gold reserves substitute manufactures, 60 per cent of the average cost of which (a moderate estimate) is labor cost.

He goes on to add that manufacturers, when urged to consider business in the aggregate and to prepare now for the transition from war to peace, reply distractedly: "It is well enough for theorists to talk, but here is business clamoring to be done, and it is profitable, and, anyhow, who knows for sure what will happen in the future?" That is the general attitude.

So, when it is too late to do anything about it—when it is raining again—there will be unemployment. In a country where the opportunities are boundless, and where development is limited, only by the availability of labor, there will be more men than jobs, simply because the jobs have not been thought of beforehand and are, therefore, not ready. One reason why now there are so many more jobs than men is that a great deal of work which might as well

have been done in the last period of unemployment is forgotten, or left to wait, and has had to be done in competition with imperative work, wages and costs all rising. That is unintelligent.

Mr. Wilson's ideas of Wall Street have been thoroughly McAdooed. He thinks Wall Street once thought it ran the United States Treasury. "Why, my fellow citizens," he said in a Shadow Lawn speech, "it even had a desk in the Treasury Department." Mr. McAdoo decided to run the Treasury himself, and, says Mr. Wilson:

We have made shift to conduct the Treasury of the United States without their assistance. And it must surprise them in their private thoughts to have to admit that it has been better conducted than ever before in our generation—more successfully as business administration and infinitely more helpfully to the general body of the American people. Such assistance as the Treasury of the United States can legitimately extend in times of financial stress used always to be extended to Wall Street. Now it is extended to the country.

It was no doubt shocking to see the money deposited in country banks and not in Wall Street, but the country banks knew how to use it, and they were very much nearer the great masses of the people who need it than were the great depositories of financial resources in New York. I would not have you consider me prejudiced against New York City. Why, gentlemen, the great City of New York is one of the most vital parts of the United States, but the City of New York does not consist of the gentlemen in Wall Street. And I would have you understand that I am very much prejudiced against them, as they are against me. No, not prejudiced, but aware.

Mr. Wilson is evidently unaware that the deposits of interior banks in New York City, nay, even in Wall Street, are enormously greater than was ever the case before, and that this will continue to be so until under the Federal Reserve act the pyramiding of reserve money between the interior and the reserve city bank is stopped in 1917. Paul M. Warburg, of the Federal Reserve Board, in his recent Atlantic City speech, said:

I wish it had been possible to stamp out this evil within a short time after the opening of the Federal Reserve system. As it is, many of the smaller banks are still in the condition of a patient who knows that he must undergo an operation in order to be fully cured, but whose mind every now and then rebels at the thought, and who continually relapses into arguing with himself that, after all, he might possibly prefer to continue to live with his disease and take his chances of the certain recurrence of acute convulsions and intense suffering rather than to have the operation performed. The country, however, has decided that the operation is necessary for our future safety and growth, and the vast majority of our bankers are in full accord that it is the wisest thing to do. The pyramiding of reserves will thus end on November 16, 1917. But, as I said, I wish the operation had already been performed.

Reflect on the baseness of ingratitude? See how the country bankers repay the trust reposed in them by Mr. McAdoo, the President and the United States Treasury. They take money direct from the government, they write notes of appreciation to the Secretary, they are enthusiastic patrons of the Federal Reserve Bank System, and then they lend their balances in Wall Street like regular sinful financiers.

Spain has recently placed an embargo on the export of Spanish credit. Foreign securities may not be brought into the country and offered to investors, or loaned on the people's money, except under certain restrictions and with the explicit approval of the government. It is an interesting idea. People do export their credit in a very reckless manner. The incentive generally is the immediate profit. The ultimate consequences are not considered. American credit is being exported on a large scale for the first time in our economic experience. Most of it is going to Europe, where the war trade is. The security is good and the rate of interest is attractive. Very little of it is going to those countries where, after the war, we shall have to look for new markets if we intend to become world traders.

Every Latin-American republic is in need of credit, some of them desperately. Hitherto they have borrowed in Europe, and their trade has gone where their credit was good. Since the war they have been unable to borrow anywhere on favorable terms. Argentina is carrying in this country a considerable floating debt. The reason she does not convert it

into a long-term loan and borrow more besides is that she cannot make terms with American bankers. They want more interest than Argentina thinks it fair to pay. They want 8 per cent. The bankers say, on their own behalf, that it would take 8 per cent to make Argentina financing attractive to them, everything considered. The phrase implies some risk. There is doubtless some risk. Risk is inherent in business. Other Latin-American countries have had the same experience. Their proposals have been rejected, and Wall Street's counter proposals they have rejected. They are all waiting and hoping for the war to end so that European credit will be again accessible to them, as it will be even if Europe has to buy credit in New York and sell at a loss in South America. Europe wants the trade.

It is time we had some theory about what we are doing. If we are exporting credit for the sake of the enormous profit that lies in a war trade, which will suddenly cease, taking good security and a high rate of interest at the same time, let us understand so, and be reconciled to the consequences when they arrive. If, on the other hand, we imagine that we are exporting credit as an intelligent investment in the future of American trade, then we are making some strange errors. We have simply not discovered the principle of cooperation between finance and business. A banker knows how in his own community to lend money on character and the will to work. He will lend money to a man without tools or a shop in which to use them, because he has confidence in the man. With his borrowed capital the man buys tools and materials and rents a shop, hires a few hands and founds a new enterprise. The bank that started him will have his account always. There was risk in it and very little immediate profit. It had been more profitable and safer at the time to lend the money to a New York broker on Stock Exchange collateral. Apparently the international banker has not learned to treat national borrowers in the same spirit. If there were not risk in Latin-American loans there would not be the opportunity. If Europe had not been willing to take big risks in American investments Great Britain would not now have enormous quantities of dollar securities to mobilize and return to us in exchange for goods. English investors years ago bought at nominal prices, without dividends, railroad stocks which have been bought back by us in the last two years as 5, 6 and 10 per cent investments. Europe had more faith in us when we were borrowing than we had in ourselves. English and French investments in Latin-American have been made with the same faith in the same spirit. But when we think of lending money to a Latin-American republic whose trade we talk of seizing we want a rate of interest commensurate with the risk.

SURPLUS INSTEAD OF DEFICIT FOR WABASH

The Wabash Railway Company has issued a report covering operations for the eight months ended June 30 which shows an increase in gross revenues amounting to \$4,569,172. There was a gain in operating income of \$4,686,623. The surplus after all charges for the eight months was \$2,903,501, against a deficit the previous year of \$2,459,622. The income account compares as follows:

Gross earnings	\$23,608,572	\$18,414,432
Operating expenses	15,993,370	15,553,823
Operating income	6,997,713	2,221,384
Other income	305,208	317,327
Total net income	7,302,921	2,538,711
Total charges	4,309,420	4,998,333
Surplus	2,993,501	\$2,459,622

"Deficit."

ARTIFICIAL SILK IS IN A PARLOUS WAY

A Serious Matter for the French Dress Goods Industry.

Trade papers from Europe, just at hand, discuss the situation in the artificial silk industry in a very pessimistic manner, and it is said that this branch of the textile trade will be the slowest to recuperate after the war. Germany, which ordinarily produces 2,500 tons, and exported material to the value of 10,000,000 marks in 1914, is reduced to about one-half. The situation in France is worse, because the largest number of the factories are either in the territory occupied by the Germans or used for other purposes at present. This involves serious losses for the French dress goods industry, as real silk must be used now for many purposes for which heretofore the imitation product could be employed. The important Belgian artificial silk industry is producing very little since the outbreak of the war, and while England three or four years ago began to establish this industry, erecting factories and hiring foreign experts, all the plants have been transformed into ammunition plants.

Finding Substitutes.

The glass used for making electric light bulbs is of a special quality. It must stand great pressure and sudden changes of temperature. Potash had always been considered as an indispensable ingredient in its composition. Chemists in the United States now find that they can produce a superior glass for the purpose by using soda instead of potash.

RUSSIA'S WAY WITH SWEDEN

Political Bitterness Is Met with Tempting Economic Proposal.

Stockholm, September 16.

The war has brought great riches to the Scandinavian countries, but as far as Sweden is concerned a certain bitter sentiment has been engendered by one measure Russia deemed necessary for her own protection. This is the erection of fortifications on the Åland Islands. Some Swedish statesmen declared Russia broke a treaty in fortifying these islands, but semi-official information from Russia declares the buildings erected are only for temporary use and can be in no way considered permanent structures.

Russia is undoubtedly endeavoring to keep the good will of her neighbors in the north and is striving now for closer economic relations with Sweden and the other Scandinavian countries, just as the Czar is making a strong bid for American trade connections. Russian propaganda in Sweden is very active, not less than a dozen pro-Russian periodicals having been established since a year. They lay particular stress on the importance of the Scandinavian countries for Russian commerce. In the first place, they say Russia must rely for her industrial imports to a great extent on Sweden, and in the second place the Scandinavian countries are expected to handle the American transit trade to and from Russia. The most important of the periodicals established is the "Russian Export and Import Review," which appears in Swedish, Danish and Russian, and whose editor, K. S. Leites, is a well known Swedish writer. He pointed out in a recent article that the rapid development of Swedish industries must be followed by the search for new markets.

Sweden now has 11,492 factories with 800,000 workmen, who produce goods to the value of 1,650,000,000 kronen annually. The change from an agricultural to an industrial state seems very quick, because fifty years ago the country had only 2,465 industrial establishments employing 30,000 hands and producing goods to the value of only 78,000,000 kronen. Russia has become a good customer for Sweden, especially as far as machines and tools are concerned. This is the youngest of all Swedish industries, and while it sent goods worth 28,000,000 kronen to the Russian market in 1905 the export has since increased to 70,000,000.

The pro-Russian press in Sweden is rather unanimous in the opinion that both countries can establish complementary relations, Russia furnishing agricultural products to Sweden, while Sweden, becoming more and more industrialized, will share with America the Russian market for finished goods. In this manner the government of the Czar hopes to escape a new German economic thralldom after the war. However, the independent and pro-German press in Sweden, by no means an insignificant factor, advances weighty political reasons why Sweden should not become dependent for food supplies on Russia. There is an historical basis for a certain apprehension on the part of Sweden, and it should not be forgotten that Sweden in general do not consider the Finnish question entirely settled.

In judging the attitude of all the Scandinavian countries toward England and Russia we must not lose sight of the fact that the Scandinavians are much flattered by the importance their countries have gained during the war and that they would be eager to retain the character of the three kingdoms as great transit markets, which have been developed by the force of circumstances.

CLOTH PRICES HIGHEST SINCE CIVIL WAR

Cotton Goods Markets Strong—Buyers Meet Advances.

Fall River, Oct. 8.—The cotton goods markets were strong last week. Prices are the highest since the Civil War. At the high prices current, buyers are more anxious to obtain goods than manufacturers are to let them go. It is apparent now that cotton prices will go higher, and manufacturers want to get some levels at which prices will settle before they sell their goods with any freedom. In any case manufacturers will not sell till they have cotton to cover their wants.

The activity of cotton stimulated goods buying. Manufacturers and brokers report that business was good, and buyers met the advances without much complaint. On the whole, manufacturers were slow sellers, but the persistence of buyers impelled mill men to dispose of a large amount of goods at prices which will net them a comfortable profit.

In the print cloth division the demand was keen and buyers interested themselves in obtaining as many goods as they could in order that they might cover their needs for some time to come. Owing to the disinclination of manufacturers to dispose of their goods, buyers advanced their bids from a sixteenth to a quarter of a cent a yard, and even at these new high levels all the goods desired were not brought out.

Rabbits No Longer Pests.

Rabbit skins have been commandeered by the Australian government, as they are used in the manufacture of military hats. A few years ago bunny was looked upon as a menace to the Australian farmer and a terrible pest. Now his hide sells at from 32 to 40 cents a pound. The carcasses are frozen and exported in large quantities for food.

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Our Current Issue

"Investment Opportunities" analyzes the last annual report of this Company. Sent on request.

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People's Trade Ways

A knowledge of many things is required to understand the mystery of the world's trade. Here are some of them as set out by Lincoln Hutchinson:

Prices, transportation charges, postal and telegraphic facilities for placing orders, time required for delivery, conditions of payments and credit, capital investments, racial and social conditions, facilities for personal intercourse through travel, mere habit, popular demand.

American manufacturers might be more venturesome in the foreign field if they kept in mind the fact that our new banking system makes it quite easy to extend the necessary credit to reputable foreign buyers and at the same time get the practical equivalent of cash in bills of exchange.

Every European country that has a big export trade in finished articles has a correspondingly large export business in money for investment. Europe has financed and built railroads and other public utilities all over the world—our own included—laid telegraph cables under the seven seas, developed cities on every continent, sent ships to carry goods to and fro, supplied the tools to work with and the clothes to wear.

European foreign loans go abroad as manufactured articles. Interest on the loans is paid in raw materials. These are mixed with brains and re-exported.

Catalogue and technical publications received at the United States Consulate at St. Etienne, France, are on file at the local Chamber of Commerce, and numerous trade journals in the hardware, silk, export, electrical engineering and other fields, after having served their purpose on the reference tables of the consular reading room, have been sent to representative dealers in the respective lines bearing this notice translated into French: "This journal is presented with the compliments of the American Consulate, where translations or explanation of any of the articles or advertisements in which you may be interested will be gladly made on application."

The Japanese settlement at Harbin, Manchuria, is growing fast, according to reports forwarded by the American commercial attaché at Peking. Several new commercial establishments have been opened in that community during the last year. The flour and oil mills, sawmills, breweries and machine shops which are to be found there are all thriving. Municipal improvements are badly needed, but indications are that Japanese capital will be found to provide them. The operation of a section of railroad extending to the Russian frontier by Japanese interests will, it is reported, have a strong tendency to divert the trade of Harbin to the south and thus increase the importance of the Japanese interests.

Much Japanese capital is turning to the development of enterprise in the Japanese dependencies, particularly Korea. A large spinning company and another for mining tungsten are recent projects. The Korean government and the Bank of Korea are giving all the assistance they can to these enterprises. There is some activity in Formosa also, although the field there is more fully occupied.

The first estimates have been made of the next season's output of Formosan sugar, the total being placed at 8,232,947 metric tons, or about 348,778 short tons.

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REORGANIZATION

International Mercantile Marine Company

(International Navigation Company)

Notice to Bondholders

In accordance with the Plan of Reorganization dated August 1, 1916, the INTERNATIONAL MERCANTILE MARINE COMPANY has delivered to this Committee its new bonds (in temporary form) and the cash to which depositing bondholders are entitled, and the Depositaries of the Committee will be prepared on and after Monday, October 9, 1916, to make delivery thereof upon surrender of Certificates of Deposit.

Certificates of Deposit of THE NEW YORK TRUST COMPANY and its agents to depositors of Four and One-half Per Cent Bonds must be delivered to THE NEW YORK TRUST COMPANY at its office, 25 Broad Street, New York City.

Certificates of Deposit of FIDELITY TRUST COMPANY and of the FIDELITY TITLE AND TRUST COMPANY, of Pittsburgh, its agent, for deposits of Five Per Cent Bonds must be delivered, endorsed in blank, to the FIDELITY TRUST COMPANY, at its office, 325 Chestnut Street, Philadelphia, Pa., and Certificates of Deposit issued by the BANKERS TRUST COMPANY, its agent for Fidelity Trust Company, must be delivered, endorsed in blank, to said Bankers Trust Company at its office, 14 Wall Street, New York City.

Income Tax Certificates in respect of cash payments to be made for accrued interest on the bonds, to wit: \$113.04 as to each \$1,000 Four and One-half Per Cent Bond and \$108.87 as to each \$1,000 Five Per Cent Bond must accompany the Certificate of Deposit when delivered.

BONDHOLDERS REORGANIZATION COMMITTEE

Otto T. Bannard, Chairman.

October 7, 1916.

International Mercantile Marine Company

Notice of Redemption of

Four and One-Half Per Cent. Mortgage and Collateral Trust Gold Bonds

The INTERNATIONAL MERCANTILE MARINE COMPANY having deposited with the undersigned, as Trustee, the amount required for the payment of the principal and interest to October 7, 1916, of the bonds of said issue not deposited under the Plan of Readjustment, the undersigned will be prepared to make such payments of principal and interest on and after Monday, October 9, 1916, upon presentation and surrender of said outstanding bonds, accompanied by coupons due February 1, 1916, and all subsequently maturing coupons.

Income Tax Certificates in respect of cash payments to be made for accrued interest on the bonds must accompany all bonds when delivered.

Dated October 7, 1916.

THE NEW YORK TRUST COMPANY, Trustee.

25 Broad Street, New York City.

FINANCIAL MEETINGS.

CHICAGO, SAINT PAUL, MINNEAPOLIS

NOTICE OF ANNUAL MEETING.

The Annual Meeting of the Stockholders of the Chicago and North Western Railway Company will be held at the office of the company, in the city of Chicago, Illinois, on Friday, October 20, 1916, at nine o'clock A. M., for the election of directors and the transaction of such other business as may come before said meeting.

Transfer books will be closed on Monday, September 18, 1916, at the close of business on that day, and will be reopened on Saturday, October 21, 1916.

Dated, September 1, 1916.

JAMES T. CLARK, President.

JOHN D. CALDWELL, Secretary.

Chicago and North Western Railway Co.

NOTICE OF ANNUAL MEETING.

The Annual Meeting of the Stockholders of the Chicago and North Western Railway Company will be held at the office of the company, in the city